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CENTRAL INTELLIGENCE AGENCY

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SOURCE

The following report concerns USIA transactions with Czechoslovakia during the past two months. Source calls particular attention to the large scale of the transactions described in paragraphs 1, 4, and 5.

1. The USIA firm of Mannesmann-Gratzl AG, Vienna XXI, has arranged to deliver 580 tons of boring equipment and spare parts valued at 50.8 million Czechoslovak crowns to the Czechoslovak state-controlled oil prospecting sites in Hodonin (Göding), Moravia. In return, USIA will receive from the CSR: twenty Diesel motors; thirty-three other motors; sixty-four industrial regulating machines (Kontrollgeräts) of various types; twenty-six milling machines of various types; assorted chains, pipes, and frames for oil drilling machinery; saws and accessories; V-belts; other items, unspecified. The total value of the items to be obtained by USIA is 35.8 million Czechoslovak crowns; the remaining fifteen million are to be paid into a special account opened for the Soviet Gosbank in the Czechoslovak National Bank.
2. The USIA Administration has arranged to deliver 432 tons of construction steel valued at four million Czechoslovak crowns to the Bata Shoe Company, Zlín, CSR, in return for the following, also valued at four million Czechoslovak crowns: two metal saws; five lathes; four eccentric presses (Excenterpressen); one grinder.
3. Brüder Perutz, Vienna, a textile firm with very close USIA affiliations, plans to deliver 2500 meters of cotton fabrics with a value of 455,000 Kcs. to Rotex, Bratislava, in exchange for an equivalent value of artificial fiber yarn (Kunstfasergarn).
4. Brüder Perutz, Vienna, has arranged to deliver 33,600 kgs. of bleached cotton for tenting (Zeltplachen), worth 28.8 million Czechoslovak crowns, to Rotex, Bratislava, in return for 412,000 Kgs. of artificial woolen thread of the same value.
5. USIA Headquarters has arranged to deliver 41 tons of construction iron worth 380,500 Kcs. to Bata, Zlín, in exchange for 2 eccentric presses (Excenterpressen) of the same value.

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6. USIA Buying and Selling Office has arranged to deliver 52.6 tons of paper, assorted, worth 1.54 million Kcs. to Expansa, Prague, in return for textiles worth an equivalent amount (30% woollens, 20% linen goods, 50% cottons).
7. The Gantach Firm, Vienna, has arranged to deliver 600 steel cylinders worth 562,500 Kcs. to the Hylaverve, Most (Brdx), CSR, which in exchange will deliver 75 tons of liquid gas (Pusanigase) with equivalent value through the intermediary of the Gallia Mineralölprodukte-Vertriebsgesellschaft AG, Vienna I, Schottengasse 7.
8. The Gallia Mineralölprodukte-Vertriebsgesellschaft AG has arranged to deliver 30,000 tons of fuel oil (Kautöl, Oelrückstand) worth 53.1 million Kcs. to the Czechoslovak Chemical Works, Prague, in exchange for 90,000 tons of lignite with equivalent value. Comment: This and the preceding item indicate that the Gallia firm, a possession of the [redacted] directed by [redacted] is collaborating very closely with the Soviets). 25X1X
9. USIA Headquarters has arranged to deliver 110 tons of construction iron worth one million Kcs. to Bata in Zlin in return for an equivalent value in unspecified rubber parts for automobiles.
10. Canada Werkzeugmaschinenfabrik, Vienna X, has arranged to deliver oil-drilling equipment valued at 1.1 million Kcs. to the Czechoslovak Mine and Smelting Works in exchange for 111 tons of steel pipes with an equivalent value. Comment: It cannot be accurately determined whether this particular transaction is in fact a secret Russian manipulation like the others. The Czechoslovak partner is only loosely identified).

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